



MEMORANDUM

DATE: July 11, 2006

TO: Five-Member State Personnel Board

REVIEWED
BY: Karen Coffee, Chief
Merit Employment and Technical Resources Division
State Personnel Board

FROM: Jennifer Roche
CEA and Board Item Program
Merit Employment and Technical Resources Division
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SUBJECT: REPORT ON CEA POSITIONS IN STATE CIVIL SERVICE

This memorandum compares the current number of Career Executive Assignment (CEA) positions in State civil service to past fiscal years; provides background concerning the CEA program; discusses the criteria necessary to justify allocating a position to the CEA category; compares the State of California's CEA program with the federal Senior Executive Service (SES) program, and covers recent issues with the CEA program.

CURRENT NUMBER OF CEA POSITIONS IN STATE CIVIL SERVICE

When comparing the total number of current CEA positions to the total number of positions¹ in State Civil Service for the past two fiscal years, the % of CEA positions has remained fairly constant. For fiscal year 2003-2004, there were a total of 1,297 or 0.60% filled CEA positions out of 216,207 State Civil Service employees. For fiscal year 2004-2005 there were a total of 1,307 or 0.61% filled CEA positions out of 214,798 State Civil Service employees. Currently (based on a SPB report dated March 21, 2006) there are a total of 1,272 filled CEA positions or 0.59% of 216,007 State Civil Service Employees.

The total number of requests SPB receives to create new CEA allocations or revise existing CEA allocations has increased over the past several fiscal years. For fiscal year 2003-2004 SPB received a total of 50 CEA allocation requests. This number increased to 86 for fiscal year 2004-2005 and for the first three quarters of fiscal year 2005-2006 SPB staff has received 60 CEA allocation requests.

BACKGROUND

The CEA program was established in 1963 by the California State Legislature to allow for a separate system of merit personnel administration specifically designed to meet the State's needs for competent managerial and executive civil service personnel. In part the CEA program was developed in response to concerns that the executive selection and retention techniques must be flexible in order to ensure the responsiveness of high level civil service executives to changes in program and policy direction, while still

¹ Total state civil service positions includes all positions permanent and limited term.

ensuing that there is sufficient stability in the civil service to maintain the program knowledge and continuity of leadership necessary for the proper functioning of an organization.

CEA positions are characterized as high-level, policy influencing assignments, responsible for managing a major department function or rendering high-level management advice. Such a position, by law², can be established only in the top managerial levels of state service and is typified by broad responsibility for policy formulation and extensive participation in policy involvement. Historical documents³ indicate that the intent of the CEA program was to create a pool of executive candidates with broad managerial and policy influencing skills, while ensuring the responsiveness of these programs to policy direction. The initial intent of the CEA program was not to create a career path for highly specialized technical positions which make decisions that impact public health and safety. Concern was expressed that employees in such positions might find themselves in compromising situations, where a decision which they believed was technically sound could lead to the termination of their CEA appointment.

Initially the process to create CEA positions was achieved by allocating individual positions that met the CEA criteria to classifications. By 1973 the CEA program consisted of roughly 500 positions, in 275 specialized CEA classes. In 1973 the concept of the CEA Broad Band category, consisting of five CEA levels, was created to further implement the original intent of the CEA program and place emphasis on the broader managerial and policy influencing skills vs. specialized kinds of work assignments. The five levels are utilized to determine merit related issues such as reinstatement, transfer, and return rights.

A June 30, 1978, report to the Legislature, describing the proposed legislation that created the CEA program, states that the intention was to cover the approximate 500 employees at the Division Chief or higher level of responsibility. This guideline is best understood in terms of the size and organizational structure of State service. Given that there were approximately 100,000 civil service employees in 1963, the State Personnel Board has interpreted this guideline to mean that the CEA program should roughly consist of 0.50% of total State employment.

Until June 30, 1995, this ratio held constant, with 1,019 CEA positions out of a total of 201,612 employees or 0.51%. Between 1995 and 1999, an effort was made by the administration and the Department of Personnel Administration (DPA) to encourage conversion of managerial positions to the CEA category. During this period, over 400 positions were converted to CEA, bringing the total percent of CEA positions to 0.68% of state civil service.

Concern over this increase in CEA positions led the legislature to include language in the Fiscal Year 2000-2001 Budget Act, that required that, "The State Personnel Board shall review each CEA position created or converted from June 30, 1995 to January 1, 1999 at the time that it becomes vacant to ascertain whether it meets current standards for CEA positions and whether or not that CEA position shall be retained or eliminated." This resulted in a decline of 66 or 0.06% fewer CEA positions. In addition, departments such as Transportation, Youth Authority, and Parks and Recreation have returned many CEA positions to regular civil service. The most recent SPB report dated March 31, 2006, shows the total percent of CEA positions as 0.59%. The legislatively required language has not been included

² G.C. 18547 "Career executive assignment" means an appointment to a high administrative and policy influencing position within state civil service in which the incumbent's primary responsibility is the managing of a major function or the rendering of management advice to top-level administrative authority. Such a position can be established only in the top managerial levels of state service and is typified by broad responsibility for policy implementation and extensive participation in policy involvement.

³ June 30, 1978 report to the Senate Finance Committee and Assembly Ways and Means Committee; October 10, 1978 SPB Memo to All State Agencies and Employee Organizations, Subject: Review of CEA Positions

in subsequent Budget Acts; however, SPB continues to review conversion period CEAs against current standards as the need arises.

CRITERIA

When SPB receives proposals from departments to allocate a position to the CEA category, the following provides an overview of the criteria which is evaluated to determine if the position can be supported as a CEA allocation. Each proposal is assessed based on the position's unique responsibilities, policy-formulation role, organizational level and scope as described in the departmental justification. Additional information pertaining to establishing new CEA allocations, can be found in the SPB Policy Memo dated September 3, 2002, titled: Establishing New Career Executive Assignment (CEA) positions.

Role in Setting Departmentwide Policy

The position's responsibility for significant unique policy formulation and program management responsibility must be determined when reviewing proposed CEA positions. A CEA position should have a decisive role at the department's highest policy-making levels and should have regular involvement in overall departmentwide policy and program management as well as serve as the chief policymaker within his/her respective program area. The policy role of the position should be significant and comparable to other CEA positions within the department and/or other departments with similar functions and should extend to programs that are not only critical to the department's mission but have an impact beyond internal departmental programs.

Organizational Level

Since the statutory definition limits CEA positions to those that are of a "high administrative and top managerial" in nature, CEA positions must be placed within the top organizational levels of the department. Generally, those positions at the first and second organizational level with sufficient support staff meet this definition;⁴ however, positions will not be designated as CEA simply because they are placed at high organizational levels. Larger or more complex departments may justify third level CEAs, and on a very limited exception basis, positions in the largest departments with decentralized functions or highly diverse functions may be able to justify a fourth level CEA position.

Scope

The scope involves the overall responsibility assigned to the position. Consideration should include the size of the department, the size and composition of the subordinate professional staff, the nature of the departmental mission and the proportion of the mission for which that position is responsible, and the current number of CEA and exempt positions in the department. This will indicate how the department disseminates managerial responsibility and the strength of the policy-influencing role assigned to the position. The scope of responsibility should be significant and comparable to other appropriately designated positions within the department or other state departments with similar responsibility.

Existing Structure and High-Level Policy Influencing Positions

When applying criteria to determine if a position may be assigned to the CEA category, it is necessary to evaluate the position's duties and responsibilities in relation to those of existing high-level policy-influencing positions within the department. Such an overall organizational review must consider not only CEA positions, but exempt and general civil service positions, as well. If the basic function of two or more

⁴ Classification and Pay Manual Section 400; Guidelines for Allocating to the CEA Category # 3.1 Managerial Responsibility and #3.3 Organizational Level which state in part that, "CEA positions are responsible for the administration of departmental programs and policies. In order to ensure that incumbents have time for policy involvement and program administration, ideally CEA positions should have at least two levels of subordinate professional supervisors."

such positions overlap, then the unique policy sphere of policy influencing responsibilities and level of duties of each position is diminished. Because exempt positions often provide special expertise and policy advice to top level administrative authority, the number and reporting relationships of exempt employees is carefully considered when assigning civil service positions to the CEA category.

CEA Levels Criteria

Once a CEA allocation concept has been approved by SPB, the DPA works with the department to determine the appropriate Level (I-V) a CEA position should be designated. Each level is assigned a separate pay range, and the levels are utilized for merit purposes to determine transfer, reinstatement and return rights. In 1991 DPA released section 405 of the Classification and Pay Manual, which established a guideline⁵ for evaluating CEA positions to determine to which level each position should be allocated. This section was revised in 1997. The criteria is presented as a guideline, each CEA position is evaluated based on its individual merit. Given the length of time that has transpired since the level criteria was established there has been some interest expressed by DPA and department representatives to revisit and revise the level criteria.

PROCESS FOR REVIEWING DEPARTMENTAL CEA ALLOCATION REQUESTS

Departmental staff submit proposals to create new or reallocate existing CEA positions directly to the CEA and Board Item Program within SPB's Merit Employment and Technical Resources Division (METR). SPB staff reviews the proposal, identifies any issues or concerns, and works with departmental staff to obtain additional information when necessary. The position proposed to be allocated to the CEA category is listed on the next SPB Board Meeting Agenda under CEA Category Activity, Section A: Requests to Establish New or Revise Existing CEA Positions Currently Under Consideration. This section of the Agenda serves to inform interested individuals and departments of proposed CEA positions, and provides any interested parties with the opportunity to submit information concerning the proposal directly to SPB and the department proposing the action.

Once SPB staff have completed their analysis recommending approval or disapproval, the proposal is forwarded to the METR Division Chief, and then to the SPB Executive Office. At any point in the process the department may be contacted to provide additional supporting information or to respond to SPB questions regarding the proposal.

The SPB Executive Office has the authority to approve or disapprove departmental requests to allocate positions to the CEA category. Once a determination to approve or disapprove the request has been made by SPB Executive Office, the proposed CEA position is listed on the next Board Meeting Agenda under CEA Category Activity Part B: Executive Officer Decisions Regarding Requests to Establish New or Revise Existing CEA positions, as approved or disapproved and the date the Executive Office made the determination.

Departments have the option to resubmit their disapproved CEA positions requests with additional information for reconsideration and the proposal will be re-listed on the SPB Board Meeting Agenda and reviewed based on the revised proposal to determine if the position warrants allocation to the CEA

⁵ Classification and Pay Manual Section 405, pg 405.1 breaks down the key areas a CEA position should be evaluated on to determine the appropriate level: reporting level; the scope, complexity, and sensitivity of policy and program responsibility; the size of the organization and nature of the agency served; the impact of recommendations and decisions in determining programs and establishing and implementing policy; the dollar volume of decisions made; the scope of decisions made or advice rendered in relation to the organization, State Government, or the State as a whole; the department size; the role of the position in the organization (Director, Chief Deputy Director, Deputy Director, Division Chief, Program Manager, Specialist); and the impact of the individual on the job and organization. Attachment 1 gives more specific criteria for consideration of each level.

category. Ultimately in cases where a merit issue has been raised regarding a CEA position action and the dispute cannot be resolved, or a department wishes to appeal the SPB Executive Office's determination concerning its proposed CEA allocation request, a hearing before the five-member Board may be scheduled.

SENIOR EXECUTIVE SERVICE (FEDERAL GOVERNMENT)

The Senior Executive Service (SES) program is the Federal Government's equivalent to the CEA program. The SES program was developed after the California State CEA program was implemented and was in part modeled on the CEA program. The Civil Service Reform Act (CSRA) of 1978 established the SES program, and became effective July 1979, with the intention of creating a corps of senior executives which focuses on the broad managerial and leadership skills of the candidates. The goal of creating the SES program was to accomplish the following: create a uniform government-wide system for selecting, preparing, paying and managing the federal government's top managers; place greater emphasis on and create a process to certify the managerial skills and expertise of the federal government's senior executives; create a system which rewarded executives whose performance was outstanding or to reassign or remove executives whose performance was unacceptable; and broaden federal executives perspectives and view their responsibilities in context of the larger corporate and public policy interests of the federal government.

General SES Positions

The SES program covers managerial, supervisory and policy positions above a specific federal grade level requirements, that are not filled by Presidential appointment which require Senate confirmation. There are two types of SES positions, General and Reserved. A General SES position may be filled by a career appointee (internal government candidate), a non-career appointee (candidate from outside government service), or a limited duration appointee (a position established short term to meet an urgent unexpected need). A Career appointee is defined as requiring competitive selection and provides entitlement to the incumbent. A non-career appointee is defined as not requiring competitive selection and providing no entitlements to the incumbent. A limited appointee can also be made without competitive selection.

Career Reserved SES Positions

A Career Reserved SES position must always be filled by a career appointee (internal government candidate) in order to ensure the impartiality of the federal government. By law a minimum of 3,571 positions government-wide must be designated as Career Reserved. According to the OPM 2005 Report titled Factbook in 2004 there were a total of 7,868 positions allocated as SES, of which 6,811 were filled. The total Federal civilian workforce in 2004 consisted of 2,713.2 million positions. Career Reserved SES positions are identified by the US Office of Personnel Management as positions which require impartiality, or the public's confidence in impartiality and include positions in these occupational disciplines: adjudication and appeals; audit and inspection; civil or criminal law enforcement and compliance; contract administration and procurement; grants administration; investigation and security matters; and tax liability. They also include scientific or other highly technical or professional positions where the duties and responsibilities of the position are such that it must be filled by a career appointee to ensure impartiality. Agencies may make career appointments to either General or Career Reserved positions.

Similarities between the CEA and SES Programs

The SES program is similar to the CEA program in many ways. Both programs provide for flexibility for termination and appointments. The intention of the creation of both programs was to focus on candidates' broad managerial skills vs. technical skills. SES and CEA positions are limited to the highest level positions in government. Based on their eligibility individuals in CEA and SES positions both have return rights for career appointees to their former positions. CEA and SES appointees have transfer and reinstatement eligibility into CEA and SES positions.

Differences between the CEA and SES Programs

One significant difference is that the SES program allows for agency flexibility within their SES positions, while the CEA program requires that departments submit separate proposals for each CEA allocation to SPB and must first contact SPB prior to implementing any significant changes to an existing position. Each federal agency submits an agency wide request for SES positions to the Office of Personnel Management (OPM) bi-annually. OPM reviews the proposal and allocates a set number of executive SES spaces to each agency for a two-year timeframe. Within their allocations, agencies have authority to establish and/or abolish positions and to reassign career executives to deal with variations in program and mission requirements, if an agency wishes to increase their allocations they must formally ask for an increase from OPM and provide a comprehensive, agency-wide assessment of their executive resources needs.

Another difference is that the SES program requires that candidates for SES Career Appointments must be approved by an independent peer review called a Qualifications Review Board (QRB), prior to being appointed. OPM draws on SES members to serve on QRBs, who review each case and either approves or disapproves the candidates executive qualifications. If approved, the agency may proceed with the appointment. The SES program also includes the flexibility for agencies to provide additional compensation to meet recruitment, relocation and retention needs.

In some ways the SES program has proven to be more flexible and has evolved with the needs of the Federal Government over time while the CEA Program has remained somewhat static. For more details of the SES program and a comparison to the CEA program please see the attachment titled: Comparison of the California Career Executive (CEA) Program and the Federal Government Senior Executive Service (SES) Program.

CURRENT ISSUES

Lifting the CEA Salary Cap

On February 17, 2006, DPA released a Personnel Management Liaisons (PML) memorandum # 2006-006 eliminating the CEA Salary Cap and delegated responsibility to all departments for their CEA compensation program. The CEA Broad Band class code 7500 is broken down into five levels, and a separate salary range has been assigned to each level. Lifting the CEA Salary Cap allows departments the flexibility to pay CEA positions above the salary range designated for the allocated level of the CEA position. SPB determines status issues such as transfers, promotions and return rights based on the five assigned levels of CEA positions, not the salary of the individual. SPB staff anticipates increased pressure from departments requesting that positions been allocated to the CEA category based on salary issues alone. Additional concerns include merit issues where equal CEA positions are paid differently based on the department's funding sources and ability to pay creating situations that may violate G.C. 19826 that states that like salaries shall be paid for comparable duties and responsibilities.

Departmental requests to convert Exempt positions to CEA positions

Historically SPB staff have received formal proposals and general inquiries from departments regarding converting existing exempt positions to the CEA Category. Recently, there has been an increased number of departmental inquiries regarding this issue, based in part on the pay flexibility departments now have due to the lifting of the CEA salary cap, the length of time it can take to obtain the Governor's Office approval for a proposed appointment to an exempt position, and the perception that an appointment to a CEA allocation is more stable.

Exempt and CEA positions are not considered interchangeable. CEA and Exempt positions were created to fulfill different departmental and Administrative roles and different criteria is applied to determine if a position should be allocated as a CEA or an Exempt position.

Exempt positions were created to provide the Governor the ability to select key administrative personnel in order to insure that his or her policies and programs are effectively carried out by individuals in whom the Governor has personal confidence. Exempt positions can be appointed at will, do not require a merit based selection procedure and are often filled with individuals from outside state service. Article VII, Section 4 of the California Constitution identifies positions which are exempt from Civil Service Status, and G.C. Sections 12010.5 and 12010.6 outline the Governor's authority to make appointments to exempt positions and ability to convert positions to exempt entitlements⁶. Exempt entitlements allow for the most flexibility of appointment. Any person who could or would apply for a CEA position may also be selected to fill an exempt position.

The Career Executive Assignment Program within the California Civil Service System was created in order to provide continuity, stability and historical knowledge within high-level policy influencing positions who serve at the discretion of the appointing authority. Current civil service employees with permanent status as outlined in G.C. Section 18546, legislative and exempt candidates who meet the current criteria outlined in existing G.C. Sections 18990 and 18992, have the eligibility to apply for CEA exams and the possibility of promotion into a CEA position.

Having a controlled number of exempt and CEA positions within a department balances the administration's interest in appointing key positions with the department's need for stability and institutional knowledge. Based on the ideological reasons exempt and CEA positions were originally created, SPB Executive Office has been reluctant to approve requests to convert exempt entitlements to CEA allocations, absent a compelling program need. The C&P Manual Section 600: Positions Exempt from Civil Service, discourages converting exempt positions and outlines DPA's requirements if a department chooses to pursue converting an exempt entitlement.⁷

CONCLUSION

Currently SPB staff are working on a number of CEA related projects which are anticipated to be released during fiscal year 2006-2007 including the following:

- SPB On-Line CEA and Exempt Bulletin System will allow department representatives to post and manage their own on-line CEA and Exempt Bulletins and will replace the current process of listing CEA bulletins on the SPB phone lines.
- Releasing an updated version of the section of the SPB Merit Selection Manual, which discusses CEA appointments.

⁶ G.C. 12010.5 in relevant part states "the Governor shall determine the distribution in the executive agencies of deputies or employees selected pursuant to subdivision (g) of Section 4 of Article VII of the California Constitution by civil-service-exempt officers appointed by the Governor pursuant to subdivision (f) of Section 4 of Article VII of the California Constitution, except deputies or employees subject to the consent or confirmation of the Senate."

G.C. 12010.6 in relevant part states "(b) The Governor may designate as exempt from civil service positions in the executive agencies over which he has line responsibility and which have civil-service-exempt officers and employees appointed pursuant to subdivision (f) or (g) of Section 4 of Article VII of the California Constitution; provided that the designations shall be limited to positions covered by these subdivisions and shall not cause the total number of positions exempted under these subdivisions to exceed one-half of 1 percent of the number of full-time equivalent positions in these agencies collectively."

⁷ C&P Manual Section 600, #9 states in relevant part "Given the limited number of exempt entitlements, it is imperative that no conversions either to or from exempt status be undertaken or sought without the written, verbal, and/or prior approval of the Appointments Secretary" and #12 "If a department wishes to return an exempt position to civil service, approval must be obtained from the Governor's Office."

- As mentioned in DPA's PML # 2006-006, CEA-level physicians and attorneys must have specialized licenses and require unique compensation. SPB and DPA have requested volunteers from state departments to create a subcommittee to evaluate whether a separate CEA classification and salary band should be established for them.
- Pursuing developing a joint SPB/DPA survey to be sent to the state department's evaluating the CEA program as a whole and identifying areas needing reform.
- Developing a pilot program, which would allow departments to independently manage their CEA programs, within specific criteria on a one-year basis, subject to a post audit.

While SPB staff resources are very limited, it is recognizable that there are a number of CEA related issues that need to be addressed. SPB staff welcomes departmental input and hopes to move towards implementing revisions which can provide flexibility and revise the CEA program to meet departmental needs, while complying with existing laws and rules and maintaining the original intent of the CEA program.

Attachments:

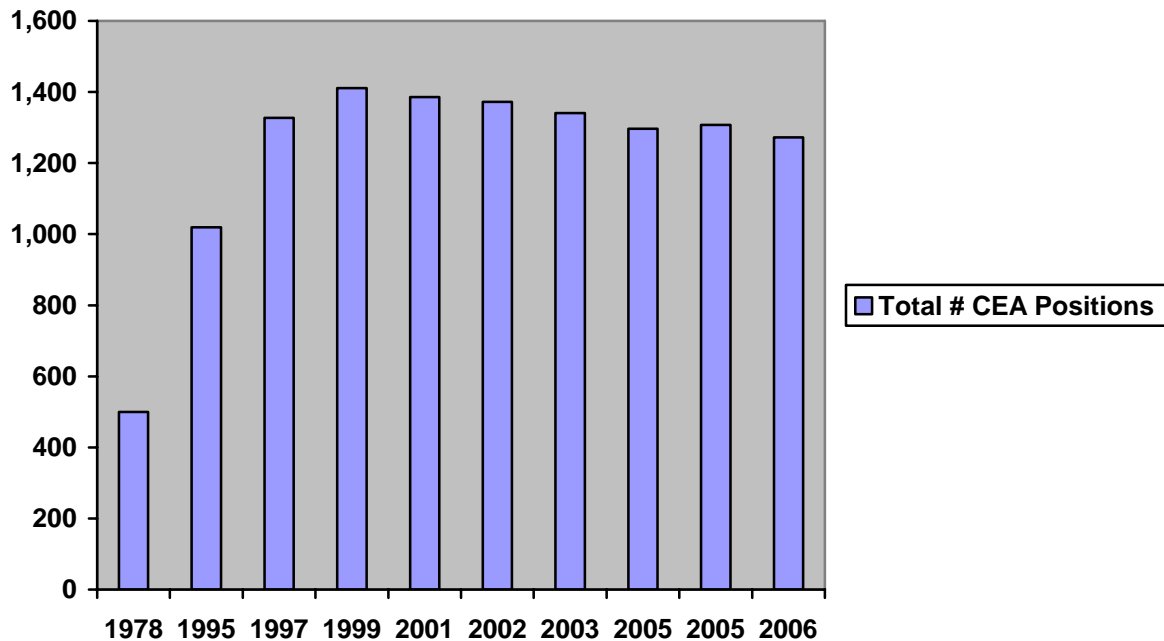
1. Table and Chart breaking down CEA Positions by Number and Percent of all Civil Service Positions Statewide
2. Charts breaking down the total # of CEA positions reviewed by Fiscal Year
3. Table 3, CEA Positions by Key Departments
4. Data from the Little Hoover Commission 2005 report titled: Serving the Public; Managing the State Workforce to Improve Outcomes
5. Chart Comparing the California Career Executive (CEA) Program and the Federal Government Senior Executive Service (SES) Program

Attachment #1

CEA POSITIONS NUMBER AND PERCENT OF ALL CIVIL SERVICE POSITIONS

Date	Total State Civil Service Positions	Total CEA Positions	% of CEA Positions to total workforce
6/30/1978	100,000*	500	0.50
6/30/1995	201,612	1,019	0.51
6/30/1997	198,237	1,327	0.67
6/30/1999	207,139	1,411	0.68
6/30/2001	224,560	1,386	0.62
6/30/2002	226,857	1,372	0.60
6/30/2003	223,012	1,341	0.60
6/30/2004	216,207	1,297	0.60
6/30/2005	214,798	1,307	0.61
3/31/2006	216,007	1,272	0.59

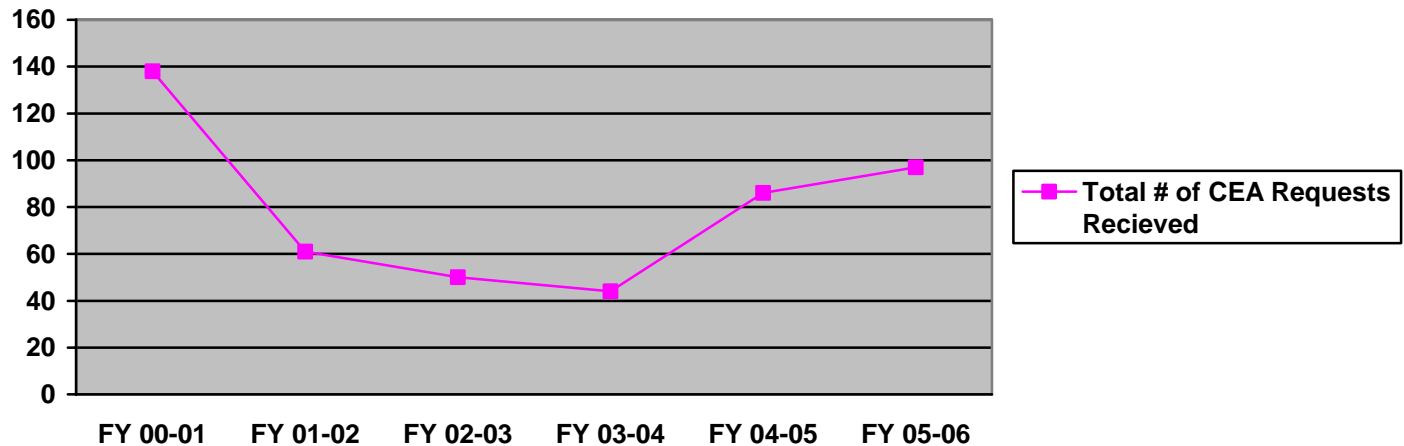
* The 1978 figures included only full time positions, all other figures take into account all state positions including full and part time



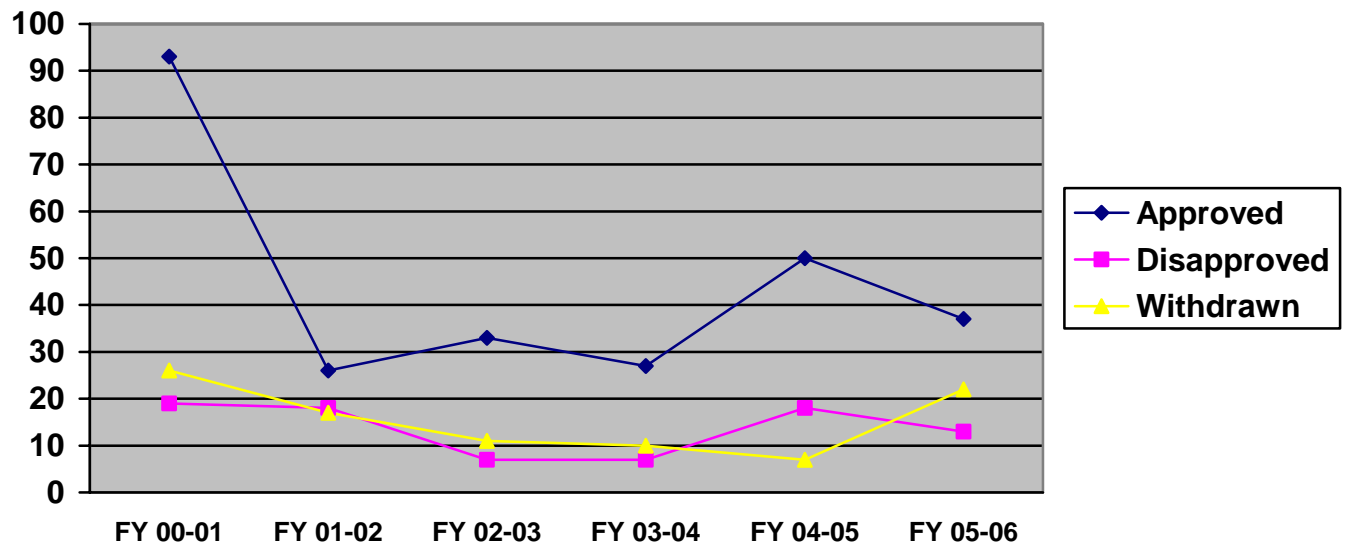
Attachment # 2

Total # of CEA allocation requests received by Fiscal Year

The Graph below breakdown the number of CEA allocation requests received by Fiscal Year.



The Chart Below tracks by Fiscal Year the total number of CEA allocation requests approved, disapproved, and withdrawn



Comparision of CEA Positions by Identified Departments

Pre-Conversion 6/30/1995				Post-Conversion 6/30/1999			6/30/2003			3/31/2006		
Department	Total # Staff	Total # CEA	% CEA to Total Staff	Total # Staff	Total # CEA	% CEA to Total Staff	Total # Staff	Total # CEA	% CEA to Total Staff	Total # Staff	Total # CEA	% CEA to Total Staff
Air Resources Board	983	13	1.32%	990	20	2.02%	1,025	21	2.05%	1,018	20	1.96%
CHP	8,907	5	0.06%	9,805	8	0.08%	10,307	8	0.08%	9,853	7	0.07%
Consumer Affairs	9,895	14	0.14%	4,164	19	0.46%	4,628	22	0.48%	3,968	17	0.43%
Controllers	1,358	17	1.25%	1,116	21	1.88%	1,086	12	1.10%	1,081	15	1.39%
Corrections	35,905	77	0.21%	44,262	96	0.22%	47,823	86	0.18%	50,552	88	0.17%
Developmental Services	10,680	33	0.31%	8,561	33	0.39%	9,857	26	0.37%	8,834	46	0.52%
Education	1,929	17	0.88%	2,138	18	0.84%	2,151	22	1.02%	2,117	18	0.85%
EDD	12,451	37	0.30%	10,584	41	0.39%	9,939	45	0.45%	8,181	40	0.49%
Equalization	4,027	25	0.62%	3,860	38	0.98%	3,749	28	0.75%	3,691	30	0.81%
Fish and Game	2,249	17	0.76%	2,635	27	1.02%	3,078	27	0.88%	2,662	26	0.98%
Food and Agriculture	2,843	11	0.39%	2,321	17	0.73%	2,547	13	0.51%	2,072	9	0.43%
Forestry	5,097	15	0.29%	5,734	20	0.35%	6,063	20	0.33%	4,646	18	0.39%
Franchise Tax Board	5,378	27	0.50%	6,346	47	0.74%	7,532	49	0.65%	6,912	42	0.61%
General Services	4,191	15	0.36%	3,966	18	0.45%	4,285	21	0.40%	3,963	21	0.50%
Health Services	5,368	21	0.39%	5,237	41	0.78%	5,836	41	0.70%	5,807	42	0.72%
Industrial Relations	2,412	11	0.46%	2,402	11	0.46%	2,335	13	0.55%	3,649	10	0.38%
Insurance	1,047	11	1.05%	1,026	17	1.66%	1,263	13	1.03%	1,174	15	1.28%
Justice	4,100	42	1.02%	4,707	65	1.38%	5,408	66	1.22%	4,927	62	1.26%
Mental Health	6,833	21	0.31%	8,088	36	0.45%	8,982	43	0.48%	10,019	46	0.46%
Motor Vehicles	8,609	25	0.29%	10,029	42	0.42%	9,626	34	0.35%	9,417	33	0.35%
Parks & Recreation	4,760	12	0.25%	4,773	35	0.73%	5,163	19	0.37%	4,475	19	0.42%
PERS	1,023	8	0.78%	1,300	23	1.77%	1,634	24	1.47%	1,789	31	1.75%
Rehabilitation	2,137	8	0.37%	2,263	11	0.49%	2,172	10	0.46%	1,935	7	0.36%
Social Services	4,451	26	0.58%	4,537	44	0.97%	4,393	36	0.82%	4,612	34	0.82%
Toxic Substances Control	1,107	14	1.38%	907	20	2.21%	1,001	19	1.90%	977	18	1.84%
Transportation	18,603	49	0.26%	20,850	110	0.53%	23,082	94	0.41%	21,849	89	0.41%
Veterans Affairs	1,181	6	0.51%	1,500	11	0.73%	1,674	8	0.48%	1,467	7	0.48%
WRCB	1,217	8	0.66%	1,212	15	1.24%	1,587	16	1.01%	1,450	18	1.24%
Youth Authority	5,504	26	0.47%	5,402	42	0.78%	4,914	32	0.65%	3,738	8	0.21%
Statewide	201,612	1019	0.51%	207,139	1,411	0.68%	223,012	1,341	0.60%	216,006	1,272	0.59%

Attachment # 4

The Little Hoover Commission released a report in June 2005 titled: Serving the Public; Managing the State Workforce to Improve Outcomes.

The following information was listed in the Executive Summary.

California's Workforce Executive Branch Only

The State workforce represents a tremendous potential to address public needs.

Total employees:.....	212,031
Management Workforce.....	31,017
Political appointees.....	3,370
C.E.A.s.....	1,224
Managers.....	2,813
Supervisors.....	23,610
 Total annual state payroll.....	 \$13.7 billion
(including estimated benefits)	
 Weekly work hours of	
State employees.....	8.5 million

Note: 2003-04 figures. State Personnel Board.
Governor's 2003-04 and 2005-06 Budgets.

ATTACHMENT #5

Comparison of the California Career Executive (CEA) Program and the Federal Government Senior Executive Service (SES) Program. The chart below summarizes and provides an overview comparing a few of the key areas of the CEA and SES Programs.

	Career Executive Assignment (CEA) Program	Senior Executive Service (SES) Program
Definition	<p>The CEA system was created in 1963 to allow for a separate system of merit personnel administration specifically designed to meet the State's needs for competent managerial and executive civil service personnel.</p> <p>CEA positions are high administrative and policy influencing positions within state civil service.</p>	<p>SES Program was implanted in 1978 to create a corps of senior executives not technical experts</p> <p>SES positions cover managerial, supervisory and policy positions (above the federal grade level GS-15 requirement) that are not filled by Presidential appointment with Senate confirmation</p>
Types	<p>Broadband, class code 7500 CEA classes – consist of five levels of policy formulating high-level management positions to which most CEA positions are allocated. The CEA Broadband was created to emphasize broad managerial and policy influencing skills, vs. specialized technical skills.</p> <p>Specific CEA classes – some CEA positions are allocated to distinct classes like general civil service classes. These classes were developed when a very specific set of skills is required to perform the duties of the job and often when it was necessary in order to obtain a qualified candidate pool (less than five internal state civil service candidates would meet the requirements) to include an outside MQ pattern, to allow candidates from outside state service to apply.</p>	<p>Career: competitive selection; provides entitlements to the incumbent; no time limit.</p> <p>Non-Career: does not require competitive selection; no entitlements to the incumbent; no time limit</p> <p>Limited Term: 3yr max limit term position; project type work</p> <p>Limited Emergency: position can be established for a maximum of 18 month; unanticipated, urgent need</p> <p>Note: total # of limited appointments government wide is restricted to 5% of total SES positions OPM has given each agency a pool of limited appointment authority up to 3% of its total SES positions</p>
Eligibility for Appointment	<p>CEA Broad Band Classes - candidate must have permanent civil service status (G.C. 19889.3 and SPB Rule 548.70), or legislative employees who meet the requirements of GC 18990 or Exempt employees who meet the requirements of GC 18992</p> <p>Specific CEA classes – each class has separate specific MQs developed for the class. Generally there is an outside pattern which allows individuals from outside state service to compete.</p>	<p>General SES Position – can be a career or non-career appointment, at discretion of the agency</p> <p>Career Reserved SES Position- must be a career appointment</p>
Testing Process	<p>State departments have been delegated authority to conduct their own examinations for CEA positions.</p> <p>Examinations must be competitive and of such character to fairly test the qualifications, fitness and ability of competitors to perform the duties of the position to be filled. Examinations must be based on job-related evaluation criteria that is used to assess the qualifications of each candidate for</p>	<p><u>There are different appointment processes for SES Career and Non-Career Appointments see below:</u></p> <p><u>SES Career Appointments:</u> Are governed by ERB and QRBs (see below)</p> <p>Executive Resource Boards (ERB) –Each agency appoints ERBs to conduct the merit staffing process for career appointments responsible for:</p> <ul style="list-style-type: none"> <u>Recruitment-</u> all SES career appointment vacancies must be announced to all Federal Civil Service Employees; and to United States

	<p>the CEA position to be filled and compare and rank each candidate against all other candidates. For more information see CCR 548.70.</p> <p>Departments must advertise their CEA examinations service-wide and post their CEA Exam Bulletins on the SPB phone lines for a minimum of five working days (SPB is currently in the process of creating a new on-line CEA Exam Bulletin system departments will use to post their CEA bulletins which will replace the phone lines. SPB Staff anticipates implementation of the new on-line system by August 2006)</p>	<p>Employment Service Offices for a minimum of 14 days</p> <ul style="list-style-type: none"> • <u>Rating and Ranking</u>- all eligible candidates are raked and ranked based on their knowledge, skills and abilities and other job related factors. Record must adequately document the basis for qualifications, rating and ranking • <u>Candidates are rated based on Executive Core Qualifications</u>¹ <p>Qualifications Review Boards² OPM convene (QRBs) which provide an independent peer review of candidates proposed for initial career appointment to SES positions. A QRB either approves or disapproves the candidates qualifications. If approved the agency may proceed with the appointment.</p> <p><u>SES Non-Career Appointments:</u></p> <ul style="list-style-type: none"> • Can be made to General (not Career Reserved) SES positions • Must obtain non-career appointment authorization from the White House Office of Presidential Personnel for each appointment • Competition is not required • Appointing official determines that the individual meets the qualifications for the position
Probation	<p>CEA Broad Band – incumbents <u>do not</u> serve probationary period</p> <p>Specific CEA classes – depending on eligibility incumbents may serve a 1 year prob period</p>	<p>Career Appointments: serve a 1 yr prob period</p> <p>Non-Career Appointment: no prob period, individual serves at the pleasure of the agency</p>
Transfer/Reinstatement	<p>CEA positions can be filled non-competitively through transfer and reinstatement as outlined in CCR 548.90 and 548.95</p> <p>Note: SPB recommends that appointing authorities should only consider filling CEA positions through transfer or reinstatement after conducting a CEA examination, thus allowing all interested eligible candidates the opportunity to apply</p>	<ul style="list-style-type: none"> • Agency can non-competitively transfer current SES career appointee • Agency can non-competitively reinstate a former SES member (some restrictions apply) • Agency can non-competitively appoint a SES CDT graduate, certified by a QRB Board
Termination Process	<p>CEA Broad Band Class: Appointees serve at the pleasure of the appointing power. The appointing power must provide incumbent with 20 days written notice (CCR 599.990) Appointing authority is not required to provide justification for termination of the assignment</p>	<p>Career Appointments: Each incumbent must be given an individual performance plan. Incumbents can be removed for performance based on appraisal periods (90 days to 1yr). Appointee must be rated based on a performance plan. If rating is unsatisfactory dept may remove or reassign incumbent. If removed appointee is</p>

¹ In the Feb 2004 report titled: Senior Executive Service, the US Office of Personnel Management defines the current ECQs as: Leading Change; leading People; Results Driven; Business Acumen; and Building Coalitions/Communication. The ECQs are described as representing a shift from passive management to active leadership and placing emphasis on making things happen and getting results rather than on managing a process.

² OPM draws on SES members to serve on QRBS. The Board normally consists of three SES members, each from a different agency. QRB members cannot review candidates from their own agencies.

	<p>Note: Terminations are not viewed as punitive (unless a situation specifically warrants a punitive measure), and are considered without fault</p> <p>Specific CEA classes –the appointing authority’s flexibility for termination depends on the eligibility of the incumbent appointed to the position. If the incumbent was an internal civil service candidate the same process applies as described above. If the incumbent was an outside candidate the regular civil service process for termination applies, which is much more restrictive.</p>	<p>given 30 days notice</p> <p>Non-Career: can be terminated at any time with 1 day notice. Agency has the option of providing reason for the action</p> <p>Limited Appointees- can be removed at any time, with 1 days notice</p>
Appeal process	<p>Appeal from Examination or Departmental Appointment: employee can appeal within 30 days upon grounds of irregularity, fraud or discrimination</p> <p>Appeal from Termination: affected employee may not appeal except for allegations upon the grounds that the termination was effected for reasons of age, sex, sexual preference, marital status, race color, national origin, ancestry, or disability, religion, or religious opinions, political affiliation, or political opinions</p>	<p>Candidates/Incumbents have no appeal rights on actions taken by the ERB, the QRB, or the appointing official. Appeals may be pursued on other legal avenues, for example prohibited personnel practice allegation, or discrimination complaints</p>
Return Rights	<p>Civil Service employee who is appointed under the CEA selection process to a CEA position retains permanent status in general civil service and has mandatory right of return to his/her former position</p>	<p>Career SES Appointments Do have return rights, entitled to placement in his/her former position (or like position)</p> <p>Non-Career SES Appointments No return rights</p>
Controls on the total # of positions	<p>There is no statutory cap on the total # of CEA positions</p> <p>Historically CEA positions were limited to the top policy-influencing managerial positions in State Government. The original intention of the CEA program was to cover employees at the Division Chief or higher level of responsibility. This guideline roughly translates to 0.50% of the positions in California state civil service.</p>	<ul style="list-style-type: none"> • There is no statutory “cap” on total SES allocations • Total SES non-career appointees government-wide cannot exceed 10% of SES allocations • Total SES non-career appointees within an agency cannot exceed 25% of that agency’s total SES allocations • Total SES limited appointees government-wide cannot exceed 5% of total SES allocations
Determining which positions meet the criteria	<p>CEA Broad Band positions Departments submit proposals to reallocate existing CEA positions or create new CEA position to SPB for review</p> <p>Each proposal is reviewed by SPB staff and a determination is made by SPB Executive Office on a case by case basis</p> <p>Specific CEA classes Departments work with DPA to allocate positions to Specific CEA classes</p>	<ul style="list-style-type: none"> • The US Office of Personnel Management (OPM) allocates # of SES positions to each agency on a 2 yr basis. Each Agency submits detailed written requests to OPM biannually. • Adjustments can be made during the biennial cycle, within statutory limits, to meet unanticipated needs. • Within their allocations, agencies have authority to establish and/or abolish positions and to reassign incumbents.

Data	<p><u>2004 breakdown of total CEA positions</u></p> <ul style="list-style-type: none"> • 216,204 total state civil service positions • 1,297 total CEA positions • 0.60% of CEA positions to total state workforce <p>Note: The most recent figures available for the SES positions were from 2004. For comparison purposes 2004 figures for the CEA program have been included here.</p>	<p><u>2004 breakdown of total SES positions</u></p> <p>7,868 total SES positions of which:</p> <ul style="list-style-type: none"> • 6,811 were filled • 5,997 Career appointments • 674 Non-Career appointments • 140 Limited Appointments <p>Note: Total Federal Civilian workforce in 2003 was 2,725.9 million (all data taken from the 2005 OPM report from titled Factbook)</p>
Compensation	<p>CEA Broad Band Class- class code 7500 consists of five levels</p> <p><u>CEA I-</u> \$5,768-7,324 monthly</p> <p><u>CEA II-</u> \$7,302-\$8,051 monthly</p> <p><u>CEA III-</u> \$8,030-\$8,854 monthly</p> <p><u>CEA IV -</u>\$8,426-\$9,287</p> <p><u>CEA V –</u> 8,916-\$9,830</p> <p><u>Legal and Medical</u> – CEA Broad Band positions which require legal or medical licensure can pay up to \$11,669 monthly</p> <p>Note: Departments have discretion to pay above the salary range of the level a position is designated. For more information see DPA PML-2006-006</p> <p>Specific CEA classes</p> <p>Separate salary ranges are designated for each specific CEA class. For more information please see the class specifications section of the SPB or DPA websites</p>	<p><u>Agencies with a Certified SES Performance Appraisal System</u> \$104,927- \$158,100 annually</p> <p><u>Agencies without a Certified SES Performance Appraisal System</u> \$104,927 -\$145,600 annually</p> <p><u>Recruitment bonus:</u> lump sum to new appointees up to 25% of basic pay for positions difficult to fill</p> <p><u>Relocation bonus:</u> lump sum to current employees up to 25% of basic pay</p> <p><u>Retention Payments:</u></p> <p><u>Other:</u> agencies may pay pre-employment interview expenses; moving costs for new appointees; and in certain circumstances provide performance awards bonuses to career appointees to recognize and reward excellence. Additionally under certain circumstances SES career appointees may receive bonuses through Presidential Rank Awards.</p>
Other	<p>Currently the Sate of California has no other civil service types of positions similar to CEA positions</p>	<p><u>Senior Level (SL) and Scientific/Professional (ST) Positions</u> similar to SES positions, but do not meet the criteria for SES positions</p> <p>ST Positions - non-executive positions which involve high level research and development in the physical, biological, medical, or engineering sciences. As of 10/31/03 total of 404 positions.</p> <p>SL Positions – non-executive positions which do not meet the criteria for ST, examples include high level special assistant or senior attorney positions. As of 10/31/03 total of 404 positions.</p> <p><u>SES Candidate Development Programs</u> designed to develop pools of qualified candidates for the SES. Participants are selected through competitive merit staffing procedures. Agencies establish Programs with OPM approval.</p>

*Note: Information provided on the SES Program was compiled and summarized from the US Office of Personnel Management's Report titled: The Senior Executive Service, dated February 2004. For more details on the SES program please refer to the US Office of Personnel Management's website at <http://www.opm.gov/>